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Memorandum of Conversation

DATE: November 13, 1959

SUBJECT: Recent Conversation Between Shepard Stone and Chancellor Adenauer

PARTICIPANTS: Mr. Shepard Stone, The Ford Foundation, New York City
The Secretary
Martin J. Hillenbrand - GER

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Mr. Stone said that he had asked to see the Secretary in view of the opportunity which he had recently had in Bonn to speak confidentially with Chancellor Adenauer. He (Stone) had, of course, also seen the Chancellor with Mr. McCloy at the time of the ATLANTIX BRUSSELS meetings in Bonn about a month ago. Although he had intended to return to the United States directly from Vienna, the Chancellor had sent him a message asking him to stop by Bonn for a private conversation. Mr. Stone noted that his friendship with the Chancellor dates back more than ten years.

Dr. Adenauer was in fine physical and mental shape when he saw him last week, Mr. Stone observed. However, the Chancellor said that he was greatly disturbed about two developments: (a) the departure of Mr. Murphy from the Department of State, and (b) signs of a changing US attitude towards its European commitments. On the first point, according to Mr. Stone, the Chancellor particularly stressed a report which he had received from a German Ambassador to the effect that the American Ambassador in the same country had told him that Mr. Murphy was not going to Bonn because of policy differences with his superiors. Ambassador Bohlen's return to the Department of State as a Special Assistant to the Secretary was also cited as a sign of an allegedly changing US attitude towards Germany and the East-West problem. Mr. Stone said that he tried to do all he could to reassure the Chancellor that no such political significance should be read into Mr. Murphy's resignation, but he believed that some suspicion remained in the Chancellor's mind and that he was

convinced

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convinced that there was more here than met the eye. One favorable factor, Mr. Stone noted, was the announcement, on the same day as his conversation in Bonn, of the President's intention to take Mr. Murphy with him on his trip to India and points en route. The Chancellor had asked Mr. Stone to discuss the situation - when he was in Washington, and to let Felix von Eckhardt, Head of the Federal Press Office, know by letter of any conclusions which might be drawn.

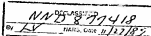
On the second point, the Chancellor said he was troubled by the impression which seemed to be growing that American strength in Europe would be weakened if certain developments took place. The Secretary had, in his recent meeting with the British, French and German Ambassadors, pointed out certain difficulties which the US was experiencing in its balance of payments. The Chancellor recognized that obviously Europe had to do more to bear the burden of common defense, but the Soviets would obviously take advantage of any weakening in the American posture and would seize the initiative to take advantage of such weakness. To give an impression of weakening was particularly dangerous prior to a Summit meeting. In fact, the Chancellor continued, there was too much talk in Europe generally about American financial and other weaknesses. He wondered whether something could not be done to show that the US is still convinced of its own destiny. Mr. Stone commented to the Secretary that the Chancellor's impressions were confirmed by his own experiences in traveling around Europe.

On the general subject of the forthcoming Western and East-West Summit conferences, the Chancellor said he wanted to make clear that, despite his high evaluation of his relationship with President deGaulle, this did not mean that Germany was willing to give up its interest in major political problems since it was indubitably affected by all such problems. Any idea that deGaulle could speak for Germany was wrong. In response to his firm letter objecting to the French position, the Chancellor said he had received a satisfactory reply from President deGaulle and that he considered the incident practically closed. However, Stone commented, the Chancellor was undoubtedly left with a residue of suspicion of the French, and perhaps of the US, with respect to their desire to exclude Germany. It would be fatal, Mr. Stone stated, to have the Germans feel that they are not considered a full member of the Western Alliance, and that this full membership is not of vital concern to the US. It would be a serious error for the US to adopt the position that we are prepared to accept President deGaulle as a spokesman for all of Europe.

Mr. Stone said that the Chancellor had mentioned that he was frequently being asked whether he had any new proposals to make. The Germans could not be in the position of asking the Allies to diminish their rights in Berlin, the Chancellor observed. He did say that the Federal Government had prepared certain plans, but these were known only to four members of the Government: himself, Globke, Krone, and Schroeder. Although he did not disclose what these plans were, the Chancellor suggested that Stone might consult subsequently with Dr. Globke who would outline them to him. In a subsequent conversation with Globke, Stone continued, he did get a somewhat confused as well as incomplete account of these proposals. As far as he could make out they amounted to

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the following:

The Western Powers should propose that elections be held within five years in each of the two parts of Germany. The first question to be posed to the electorate would be "Are you in favor of German reunification?" A UN Commission could be introduced to supervise this plebiscite to ensure its freedom. A further question to be posed would be "If you are in favor of German reunification, do you want to join the Warsaw Pact or NATO?" If the vote favored entry into the Warsaw Pact, then Western Germany would be demilitarized. If the vote favored entry into NATO, then East Germany would be demilitarized and NATO troops would be banned from this area. In commenting on these proposals Dr. Globke said that there was, of course, no doubt as to how the Germans would vote in such a plebiscite if they were free to express their convictions. Moreover, there was no idea that the Soviets would accept such a proposal.

In summarizing his impressions of the Chancellor's position, Mr. Stone said that he was impressed by the Chancellor's statement that the Germans would not propose anything which would diminish Allied rights in Berlin. On the other hand, the implication was left that, if the Allies made such proposals, then obviously the Germans would have to consider them.

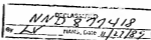
The Secretary said he could assure Mr. Stone that Mr. Murphy's resignation was not in any respect motivated by alleged policy differences, nor did Ambassador Bohlen's return to the Department have any connection. The Secretary outlined some of the factors which in his view had influenced Mr. Murphy's decision. He suggested that Mr. Stone would be justified in writing von Eckhardt along these lines. Mr. Stone said that he would, accordingly, write a discreet letter on this subject. However, he also thought it would be a good idea if Mr. Murphy would write to the Chancellor himself. The Secretary said he would pass on this suggestion upon Mr. Murphy's return from leave.

The Secretary said that the Chancellor had some basis for concern on his second point. The American Government was faced by a difficult problem in its balance of payments situation. The Secretary of the Treasury was particularly disturbed. The Secretary noted that he (the Secretary of State) was making a speech on Monday before the Foreign Trade Council in New York in which he would give some statistical data and try to allay some of the fears which had been aroused. One of the difficulties was that the discussion of this subject within the US Government had received too wide a circulation. The Secretary recalled that the President had in the back of his mind his own experience. When he went to SHAEF in 1951, in response to a press conference question, General Eisenhower had said that he expected American forces would be back from Europe by 1954. For five years the President had annually raised the possibility of bringing back American troops from Europe, but had been advised this would be impossible. There could, of course, be no worse time than the present the Secretary observed, for carrying out such a program.

Mr. Stone said he would like to suggest that, in his speech, the Secretary might include the point that, regardless of these admitted problems, there

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could be no doubt about the basic reliability of the US, that when the chips were down we would be there carrying out our commitments. The Secretary said that we hoped to give reassurance of this nature at the NATO Ministerial Meetings in December. It was good to hear that the Germans were prepared to do more to share the burden; it was essential they do so. A noteworthy fact, the Secretary continued, was that our balance of payments deficit comes fairly close to our dollar outlay affecting the balance of payments due to stationing of troops overseas. There were, of course, other more purely economic factors involved, such as our tendency to price ourselves out of the market with a resultant outflow of American capital to establish factories overseas.

Mr. Stone said that a number of far-sighted Europeans like Jean Monnet had been giving thought to this problem. Monnet had, in fact, talked to the Chancellor about it. The general feeling among these people was that Europe was in a position to do much both in the way of assistance to underdeveloped countries and in the way of taking measures to strengthen the US exchange position.

The Secretary observed that, when it comes to undermining NATO, General deGaulle is the real culprit. At some point he must be told off. He still dreams of France as being the dominant power in Western Europe. If Adenauer's suspicions in this respect have been allayed, he is overly optimistic. President deGaulle is still actively thinking in terms of tripartition. Mr. Stone observed that the best people in France hope we do not give in to deGaulle, and believe that his policy would be disastrous both for Europe and for France.

The Secretary referred to the Chancellor's remarks to Mr. McCloy during their earlier meeting, at which Stone had likewise been present, that he could not come forward with his proposals because of the German Foreign Office. On that occasion, Mr. Stone added, the Chancellor had launched into a bitter attack on the Foreign Office and its leading personalities such as von Brentano, Scherpenberg and Duckwitz. Stone had received the definite impression that the Chancellor was thinking of bringing back Ambassador Grewe from Washington to replace Scherpenberg. The Chancellor certainly did not pay any attention to Foreign Minister von Brentano. At one time when he was still in the Foreign Office, Hallstein had had a certain influence over the Chancellor, and the Chancellor did respect Grewe as a man who knows his facts. Stone said he had received the impression that von Eckhardt might be sent to Washington as Ambassador to replace Grewe. The Secretary noted that, on a number of occasions, we have "needled" the Germans regarding their negative attitude and asked them to come up with some new ideas. We did not see how they could refuse to do some thinking about problems of primary concern to them. The Secretary then cited two examples of the impotency of von Brentano and the Foreign Office to carry through policies in face of the Chancellor's refusal to give him any authority as well as the Chancellor's capacity to change his mind rapidly.

The conversation concluded with Mr. Stone's observation that Willy Brandt

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had seen the Chancellor a number of times recently and had apparently been impressing on him the undesirability of any suggestions from the Federal Republic which would have the effect of diminishing the Allies' rights in Berlin.

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